Revenue Canada
Customs and Excise

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Non-Resident Publisher

The Goods and Services Tax (GST) has replaced the federal sales tax in Canada. This legislation requires most businesses and organizations that are non-resident and carry on a business in Canada to register.

Property (that is, goods) sold by a non-resident to a recipient in Canada falls into one of two categories for purposes of the GST legislation:

1. Property which is prescribed for purposes of the Act. The prescribed property includes books, newspapers, periodicals, magazines and any similar printed publications. This category may be further subdivided into the following subcategories:

    (a) property valued at not more than $40 (Cdn.), and

    (b) property valued at more than $40 (Cdn.).

2. Property that is not prescribed and that is treated according to the general rules for imported goods.

Property sent by mail or courier to a recipient in Canada, valued at not more than $40 (Cdn.) and supplied by a non-resident who is a registrant, will be deemed to be a supply made in Canada (and thus subject to GST) if the property is prescribed or the person making the supply is a prescribed person.

The general intent of the foregoing is to ensure that foreign publications, sold primarily, though not exclusively, by subscription to Canadian residents, are taxed in the same manner as Canadian publications. Therefore, the GST will be applied to both subscription and individual sales of the property specified.

For purposes of the requirement to register, the meaning of the phrase "carry on business in Canada" has been extended to the specified non-resident suppliers. A non-resident who solicits or offers sales of books, newspapers, periodicals, magazines, or similar publications which are valued at not more than $40 (Cdn.) using agents, employees or by advertising directed at the Canadian market will treat such sales as having been made in Canada.

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The non-resident is encouraged to apply to be registered in respect to such sales if the value of the non-resident's world-wide taxable supplies exceeds the $30,000 (Cdn.) small suppliers' threshold.

If a non-resident publisher making sales of publications in Canada does not apply to be registered, the publications would be treated like any other import. That is, the tax would be imposed on the publications at the time of importation. From both the publisher's and the subscriber's perspective, the preferred treatment would result where the publisher registers for purposes of the GST and pre-collects the GST on individually addressed publications sent by mail or courier to Canadian recipients.

If your company solicits or offers for sale in Canada books or periodicals and the per issue value is less than $40 (Cdn.), your company would be deemed to be making supplies in Canada and, assuming it exceeds the $30,000 (Cdn.) small suppliers' threshold, should apply to be registered. A registration form is included in the booklet "Should I Register? Information for Non-Residents". Please submit your completed application form to the Pacific Region Excise Office, PO Box 8000, Burnaby, British Columbia, Canada, V6H 4N7.

It should be noted that non-residents who do not have a permanent establishment in Canada will be required to provide security when applying to be registered. Information on the amount and acceptable types of security is provided in the attached Technical Information Bulletin entitled, "Guidelines for Security Required of Non-Residents".

Please note that if a registered non-resident supplier of prescribed property collects GST on sales of publications delivered by mail or courier that are valued at more than $40 (Cdn.), when these supplies arrive at the border, Canada Customs would process such shipments in the same manner as those supplies valued at not more than $40 (Cdn.) provided evidence of the tax having been collected is provided with the shipment. That is, books and periodicals valued at more than $40 (Cdn.) will not be delayed for Customs clearance when the non-resident supplier has pre-collected the tax payable on such supplies prior to importation.

If you have any further questions, please contact the Pacific Excise Office at (604) 775-5090.